REMARKS/ARGUMENTS

Claims 1-3 are pending in the application; reexamination and reconsideration are hereby requested.

1. The claims were objected to as containing duplicative clause labeling.

The dependent claims have been amended.

2. Claims 1-3 were rejected as unpatentable over Hu in view of Yim. The Examiner cited Hu's refinement of motion vectors and Yim for processing in the transform domain.

<u>Claims 1-3</u>: Base claim 1, steps (b)(ii) and (c)(ii) each requires refinement of a DCT block motion vector estimate by a search over DCT blocks; that is, the refined motion vector is also for the DCT block. In contrast, the refinement in Hu is with respect to the block size; a motion for an 8x8 block is "refined" by finding motion vectors for the four child 4x4 blocks (e.g., col.3, ln.32-38).

Further, base claim 1, step (c)(i) requires repetition of DCT coefficients to make the search window; whereas, Hu has no suggestion of such repetition because Hu is in the space domain, not the transform domain, and thus simply uses the adjacent space domain pixel values.

Consequently, the references do not suggest base claim 1 and the claims are patentable over the references.

Respectfully submitted,

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